

CBS EVENING NEWS
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THE BULGARIAN
CONNECTION

GOLDBERG: It seem like the plot of an international spy thriller, a cloak-and-dagger story about black market weapons deals, about a mysterious underworld where heroin is gold and about revolutions that mean millions of dollars. It's a story that reaches into the secret affairs of the Bulgarian government, a story that begins right here in the United States, right here in Miami. Right here with the man in that Mercedes. His name is Peter *Mullach, a German national who lives in a million-dollar home in Miami. He says he's in the import-export business, but Mullach's former son-in-law, once close to the family business, told Danish television that's just a cover for Mullach's real profession. HEINZ WECK: His profession was and is an international, illegal arms deal.

GOLDBERG: In fact, Peter Mullach is part of what has come to be known as the Bulgarian connection, an international Bulgarian plot to sell weapons for revolutions and hard drugs obtained from Middle Eastern traffickers for badly needed hard cash. CBS News has obtained documents that show that Peter Mullach has made deals with the Bulgarians to secretly supply them with high-tech electronic equipment that could not legally be sold to Communist countries. Mullach told the Bulgarians in writing that they could pay part of the bill in something other than cash. He said they could pay in heroin, and the Bulgarians quickly, if slyly, agreed. American intelligence sources and law enforcement officials say current investigations show that the Bulgarians, as the Soviet Union's most faithful followers, use drugs as weapons against the West. FRANCIS MULLEN (Drug Enforcement Agency): There are some countries that take some delight, perhaps, in seeing the destabilization in this country from the addict population that we have because of heroin, and it numbers about 500,000 people.

GOLDBERG: And it is an official arm of the Bulgarian government, the Bulgarian export agency, *Chemtechs that is doing the dealing. MULLEN: We also are aware that several members of the Bulgarian security police are members of the board of directors for Chemtechs, which to us represents a direct involvement on the part of the Bulgarian government.

GOLDBERG: And CBS News has learned that in one deal several years ago, Chemtechs also told weapons to Peter Mullach--Soviet-made AK-47 rifles, machine guns, grenades, rocket launchers and mines. Mullach turned around and sold those weapons to South Africa, violating a 1977 United Nations Security Council arms embargo prohibiting weapons sales to that country. Ironically, the

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Soviet-made weapons wound up being used in the war against the Soviet-backed government in Angola. To some, proof that the staunchly Communist Bulgarians aren't above engaging in a little capitalism, that is, if the price is right. As for Peter Mullach, he hired Bulgarian business agents, including this man, *Ivan Slavkev, who for a 15-percent commission negotiated some of those million-dollar deals, but Mullach's Bulgarian connection may have come to an end. WECK: He didn't pay them for the last deal, so he still owes them a lot of money. In fact, about \$2.5 million.

GOLDBERG: Ivan Slavkev is head of Bulgaria's Olympic committee, and he's scheduled to be in the United States for the Summer Games, which could give him a chance to collect. We tried repeatedly to talk to officials of the Bulgarian government, but they would not talk to us; neither would Peter Mullach. (To Unidentified Man 1): We're from CBS News. Can we speak to Mr. Mullach? UNIDENTIFIED MAN 1: I don't know if he's here.

GOLDBERG: Well, we just saw 'im. (Back to report): On this day, he even called the police. (To Unidentified Man 2, police officer): Did Mr. Mullach call? UNIDENTIFIED MAN 2: Yeah.

GOLDBERG: In the meantime, Peter Mullach is living the life of an upstanding member of the community. He recently attended a \$1,000-a-plate fundraiser for the Miami Heart Institute, and he continues to leave a peaceful, luxurious life at his estate back there off Biscayne Bay, where his only brush with the authorities has been a relatively minor one. The tax assessor says Peter Mullach owes more than \$15,000 in back property taxes. Bernard Goldberg, CBS News, Miami.